

Cookie.

Hold pending receipt of
[redacted] memo to hqg.

AF

Billings 2 & v.s. 2 2'

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Approved For Release 2003/05/14 : CIA-RDP79-00107A000100040008-1

NOTES RE: PROPERTY - FOR DISCUSSION WITH []

25X1

1. Since June 8th thru ^{July 6th} June 29th have paid [] 25X1
2. Now paying all bills upon receipt
3. According to agreement ^{with you} this was to be thru June 30th
4. Applicability of "constructive" delivery concept for MILSTRIP & FEDSTRIP
5. Several discussions held with LOG [] 25X1
6. Agreement in principle by all participants - without consideration of mechanical or procedure problems
7. "Constructive delivery" concept embraces both logistical and financial systems into a single system
8. Thru use of Accounts 606 and 607, management by exception is applicable to acceptance of "constructive delivery" concept for automatic payment as bills are presented.
9. "Constructive delivery" concept requires burden of proof of delivery to be vested with "receiving" component (LOG). Any discrepancies would be formally presented to "Finance" by "receiving" component.
10. Why is this up for discussion at this time?
- a. In order to reply to LOG memo re payment procedures
- b. [] is applicable to LOG as well as to "Finance"
- c. That means that acquisition of property [] places 25X1
responsibility on LOG to respond to non-delivery or other discrepancies in billings in a single Agency system
11. For years Finance has been striving to get LOG to use MILSTRIP & FEDSTRIP numbers as the reference in recording property acquisitions, to no avail.
Only recently LOG [] agreed that LOG would verify receipt of material if Finance recording to Account 606 (expenditure) reflected MILSTRIP or FEDSTRIP numbers.

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GROUP 1
Excluded from automatic
downgrading and
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12. Agreement in principle are progress steps but procedural problems - machine techniques, etc. - are still to be overcome.

"Patch work" procedural changes permit:

- a. reflection of obligation reference (continue to use purchase order)
- b. reflection of order reference as MILSTRIP number
- c. acceptance of constructive delivery concept as basis for payment

13. Recommendation

Reply to LOG be along lines that Finance agrees with concept of payment upon presentation of billings, however, LOG must assume responsibility of verifying receipt of material in order to be compatible with concept ^{they} expressed.

14. *Concurrent issue of combined Log and Finance instructions.*

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